

I'm currently on my parent's health plan. What do I do when I turn 26?

Answer:

Under the Affordable Care Act, young adults up to age 26 are eligible for dependent coverage under a parent's health plan. Once you reach the age of 26, you are no longer eligible for dependent coverage unless the health plan offering dependent coverage or your state of residence specifically extends that coverage to dependents beyond age 26.

If you lose coverage under your parent's plan, you may qualify for special enrollment through your employer's plan or your spouse's health plan in another employer plan for which you are eligible (including health coverage through your job or your spouse's job). You generally must enroll within 30 days from the date you are no longer covered as a dependent.

If you're covered by your parent's Health Insurance Marketplace plan, you may qualify for individual coverage through the Marketplace during a special enrollment period. This special enrollment period extends up to 60 days before and 60 days after your birthday. If you apply for coverage through the Health Insurance Marketplace, you may qualify for premium tax credits and other savings based on your own income.

You may also have other options including student health insurance if you're attending school. And remember, you always have the option to find your own health insurance plan before age 26. Keep in mind that you are required to have minimum essential health coverage. If you don't, you must pay a fee for any month that you didn't have health insurance when you file your federal income tax return, unless you qualify for an exemption.

IMPORTANT DISCLOSURES

The information presented here is not specific to any individual's personal circumstances. To the extent that this material concerns tax matters, it is not intended or written to be used, and cannot be used, by a taxpayer for the purpose of avoiding penalties that may be imposed by law. Each taxpayer should seek independent advice from a tax professional based on his or her individual circumstances.

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